

P.O. Box 1680 Brooklyn, N.Y. 11202
XXXXXXXXXXXXXXXXXXXX

Gentlemen:

FEB 4 1981

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(4) of the Internal Revenue Code.

The evidence presented disclosed that you were incorporated on [REDACTED] under the laws of the State of [REDACTED]. Your purposes as stated in your Certificate of Incorporation are: "to advocate the right of tenants in disputes with management, to collect and disseminate information of value to tenants and the general public, to promote the settlement of disputes between tenants and management and those between tenants, to serve as an ombudsman in tenants disputes with management agencies, to promote a spirit of cooperation among its members, and to establish a fund to assist those tenants, unlawfully evicted or facing such eviction and who are without resources to provide themselves with adequate legal counsel."

[REDACTED] contains [REDACTED] apartment units of which you have [REDACTED] members. Your activities are to act as a liaison between tenants and management, organizing tenants to participate in the upkeep of the apartment complex, organize a youth patrol, encourage recreation and sports activities for the youth, and publishing newsletters for members.

Section 501(c)(4) of the Internal Revenue Code provides for exemption from Federal income tax to organizations not organized for profit but operated exclusively for the promotion of social welfare.

Section 1.501(c)(4)-(2)(1) of the Income Tax Regulations states in part; "An organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community."

Revenue Ruling 73-306, 1973-2 C.B. 179 held that a nonprofit organization formed to represent member tenants of an apartment complex in negotiating with landlords to further the interest of the tenants did not qualify for exemption under section 501(c)(4) of the Code. Your organization is similar in nature.

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SUR-NAME							
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[REDACTED]

Based upon the information submitted, we have determined that your primary activity is to act as a liaison between tenants and management in the [REDACTED] Complex and therefore you are operating essentially for the private benefit of the tenants. Although your organization has some community oriented activities, they are only incidental to your primary activity which is to promote the interests of persons residing in [REDACTED] which is prohibited under IRC 501(c)(4) and the regulations thereunder.

On the basis of the evidence presented we hold that you are not operated exclusively to promote the common good and general welfare of the community and therefore do not qualify for exemption from Federal income tax under section 501(c)(4) of the Internal Revenue Code.

You are required to file a taxable return, Form 1120, with the District Director of Internal Revenue Service. Please send the return to the Internal Revenue Service, P.O. Box 1680, General Post Office, Brooklyn, New York 11202.

If you do not agree with this determination, you may request a conference with the Regional Director of Appeals by protesting in accordance with the enclosed instructions within 30 days.

Protests submitted which do not contain all the documentation stated in the instructions will be returned for completion.

If we do not hear from you within that time this determination will be considered final.

Very truly yours,

[REDACTED]
District Director

Enclosure: Publ. 892

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